

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: MCR, LLC
Well Name/Number: Rupe 8-23
Location: SE NE Section 23 T22N R19E
County: Fergus, MT; **Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)

Long drilling time: No short, 3 to 5 days drilling time.

Unusually deep drilling (high horsepower rig): No, small single drilling rig TD 1660', Eagle formation test.

Possible H₂S gas production: None anticipated.

In/near Class I air quality area: Not in a Class I air quality area.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

☒ Air quality permit (AQB review)

☐ Gas plants/pipelines available for sour gas

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: Small single derrick drilling rig to drill to 1,660' TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system to be used.

High water table: No, high water table expected.

Surface drainage leads to live water: Closest drainage is an unnamed ephemeral tributary drainage to North Fork Taffy Creek, about 1/32 of a mile to the east from this location.

Water well contamination: None, closest water wells are about 1/4 of a mile to the west, about 3/8 of a mile to the southwest and about 1/2 of a mile to the southwest from this location, depth of these water wells are from 18' and 105'. Surface hole will be drilled with freshwater to 300'. Steel surface casing will be run and cemented to surface to protect ground waters.

Porous/permeable soils: No, sandy bentonitic soils.

Class I stream drainage: No, Class I stream drainages nearby.

Mitigation:

☐ Lined reserve pit

☒ Adequate surface casing

☐ Berms/dykes, re-routed drainage

☐ Closed mud system

☐ Off-site disposal of solids/liquids (in approved facility)

___ Other: _____
Comments: Adequate surface casing to be set to 300' to protect surface water and water wells.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings: No, streams to be crossed, only crossing ephemeral drainages.
High erosion potential: No, moderate cut up to 15.9' and moderate fill up to 12.9', required.
Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.
Unusually large wellsite: No, small drillsite, 225'X250'.
Damage to improvements: Slight, surface use is a hay field.
Conflict with existing land use/values: Slight

Mitigation

- ___ Avoid improvements (topographic tolerance)
- ___ Exception location requested
- X Stockpile topsoil
- ___ Stream Crossing Permit (other agency review)
- X Reclaim unused part of wellsite if productive
- ___ Special construction methods to enhance reclamation
- ___ Other _____

Comments: Will utilize existing county, Blackwelder Road and two track ranch trail. Short access off existing trail to be build into this location, about 1/2 of a mile. Unlined earthen pits will be utilized for drilling. Drilling fluids, mud solids and cuttings will be allowed to dry in the pits. When pits are dry they will be filled in with subsoil and topsoil spread.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Closest residence is about 1/2 of a mile to the southwest from this location.
Possibility of H2S: None anticipated.
Size of rig/length of drilling time: Small single derrick drilling rig/Short drilling time 3 to 5 days.

Mitigation:

- X Proper BOP equipment
- ___ Topographic sound barriers
- ___ H2S contingency and/or evacuation plan
- ___ Special equipment/procedures requirements
- ___ Other: _____

Comments: Adequate amount of surface casing and BOP equipment should mitigate any problems.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: None

Conflict with game range/refuge management: None

Threatened or endangered Species: Threatened or endangered species identified are the Pallid Sturgeon and Black-Footed Ferret. Species of concern is the Greater Sage Grouse and Sprague's Pipit. NH tracker website lists one(1) species of concern in T22N R19E, Greater Sage Grouse.

Mitigation:

 Avoidance (topographic tolerance/exception)

 X Other agency review (DFWP, federal agencies, DSL)

 Screening/fencing of pits, drillsite

 Other: _____

Comments: Surface use is a private hay field. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites None identified

Mitigation

 avoidance (topographic tolerance, location exception)

 X other agency review (SHPO, DSL, federal agencies)

 Other: _____

Comments: Surface use is a private hay field. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)

 Substantial effect on tax base

 Create demand for new governmental services

 Population increase or relocation

Comments: No, impact expected from the drilling of this well.

Remarks or Special Concerns for this site

No special concerns about this wellsite. This is a Eagle Formation test to be drilled to 1660' TD.

Summary: Evaluation of Impacts and Cumulative effects

No significant or long term impacts expected from the drilling of this well. Some short term impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/Steven Sasaki

(title:) Chief Field Inspector

Date: September 15, 2011

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Fergus County water wells

(subject discussed)

September 15, 2011

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Fergus County

(subject discussed)

September 15, 2011

(date)

Montana Natural Heritage Program Website (FWP)

(Name and Agency)

Heritage State Rank= S1, S2, S3, T22N R19E

(subject discussed)

September 15, 2011
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____